STATE OF THE CITY REPORT

CITY OF EDMONTON
APRIL 2008 TO MARCH 2009

THE CITY OF Edmonton

TRANSFORMING **EDMONTON**
BRINGING OUR CITY VISION TO LIFE

TABLE OF CONTENTS

3 Message from Mayor Mandel
4 Edmonton Snapshot
6 Resilient Edmonton
8 The Way Ahead
9 City Vision
10 The Way We Green
12 The Way We Live
18 The Way We Grow
22 The Way We Move
24 The Way We Finance
26 The Way We Prosper
30 Going Forward
32 2008 Financial Results

MESSAGE FROM MAYOR MANDEL

Thanks for your interest in our State of the City Report.

As always, this report presents an important opportunity to review some of the accomplishments and progress made over the past year. I invite you to read through the details in this document, highlighting some of the high points from the past year and detailing progress on so many important projects. Overall, they provide a glimpse into who and what we are – a vibrant and active city, built on a foundation of great communities.

This is also our time for looking forward, at some of our challenges and efforts to move towards achieving our broad vision for Edmonton.

Edmonton's vision (on page 9) presents us as what we are: a city of energy and imagination. And it show us what we are striving to be: a sustainable city where smart growth, great communities, exciting cultural activities and powerful educational and economic assets will be the cornerstones of the best possible future.

There's no question we have bigger challenges this year. Conditions have changed quickly here, like everywhere. We are luckier than so many cities. Our economy is still running soundly – though at a slower pace. Our fundamentals are strong. When challenges come, we have to face them. But while we will do what we can, we also have to be respectful of the limits of the capacity of our taxpayers.

We have to take time to make adjustments to our plans, where necessary, which means more careful scrutiny of our budget, and much more careful staging and planning of how we spend.

But as we work our way through current challenges, we can't take our eyes off our long-term vision. Fixing things today cannot - must not - mean holding back on plans for tomorrow.

This is Edmonton's time to imagine, to grow and shape our ideas and to dream.

While we make adjustments, our commitment does not change. So we pursue opportunities to showcase Edmonton, including the 2015 Summer Universiade and the 2017 World's Fair bid.

We continue to invest in critical infrastructure and services and to work to enhance the safety of our communities.

We continue to dedicate ourselves - all of us - to building a better city, as we chart plans for a socially, economically and environmentally sustainable city - to augment our care for the people and environment that uphold us.

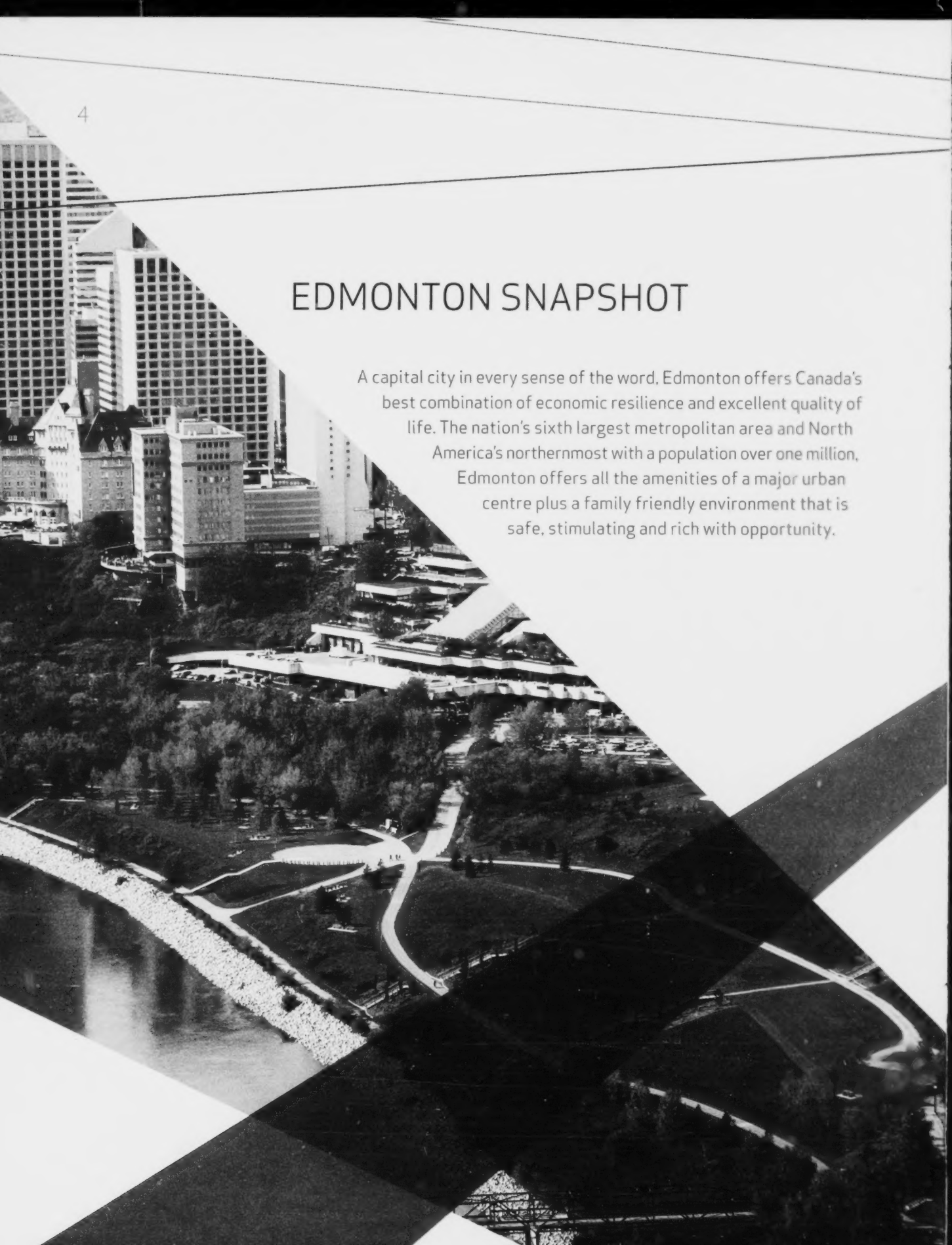
We share this place and we share a common vision of its strength and promise.

I am so honoured to be Edmonton's Mayor at this exciting and important part of our journey.

Thanks to all.

Stephen Mandel

Mayor Stephen Mandel



EDMONTON SNAPSHOT

A capital city in every sense of the word, Edmonton offers Canada's best combination of economic resilience and excellent quality of life. The nation's sixth largest metropolitan area and North America's northernmost with a population over one million, Edmonton offers all the amenities of a major urban centre plus a family friendly environment that is safe, stimulating and rich with opportunity.

Strategically located in the centre of energy-rich Alberta, Edmonton entered the economic volatility of 2008 buoyed by five previous years as the nation's fastest growing municipal centre. With residents whose roots extend around the world, the region is home to the range of talent needed to thrive in a global marketplace where creativity is king. Excellent schools, post-secondary institutions and lifelong learning opportunities support an increasingly diversified economy with leading-edge research and development in sectors ranging from health care and nano-technology to financial services and new media.

Scenically astride the North Saskatchewan River, Edmonton's signature assets include inviting riverside paths and playgrounds that together form North America's largest urban park. Globally acclaimed for its environmental leadership, the City has a waste management centre of excellence that includes the world's largest composting facility of its type.

There's always something to enjoy in this Festival City, whose sunny four-season climate invites activities ranging from ice skating and cross country skiing to soccer and swimming. Home to the national league Edmonton Oilers and Edmonton Eskimos, our community also offers a rich array of grass-roots sporting opportunities. Shopping options range from the world's first mega shopping experience, West Edmonton Mall, to a growing network of boutique shopping, market gardens and locally designed goods.

A vibrant arts and culture scene includes 35-plus festivals; more than 60 art galleries; dozens of theatres; and companies devoted to symphony, opera, ballet, vocal and dance. Thanks to an outstanding volunteer spirit, Edmonton regularly hosts major international competitions and events, including the 2008 IBAF World Junior AAA Baseball Championships. An expanding downtown cultural district includes the acoustically outstanding Winspear Centre, the multi-stage Citadel Theatre and the Art Gallery of Alberta, whose Randall Stout design, set for unveiling in 2010, will embody Edmonton's confidence as an international destination.

North America's

Largest Urban Park

752,412
Edmonton population

1,034,945
Metropolitan population

100 years
milestones celebrated by the University of Alberta and the Edmonton Transit System

RESILIENT EDMONTON

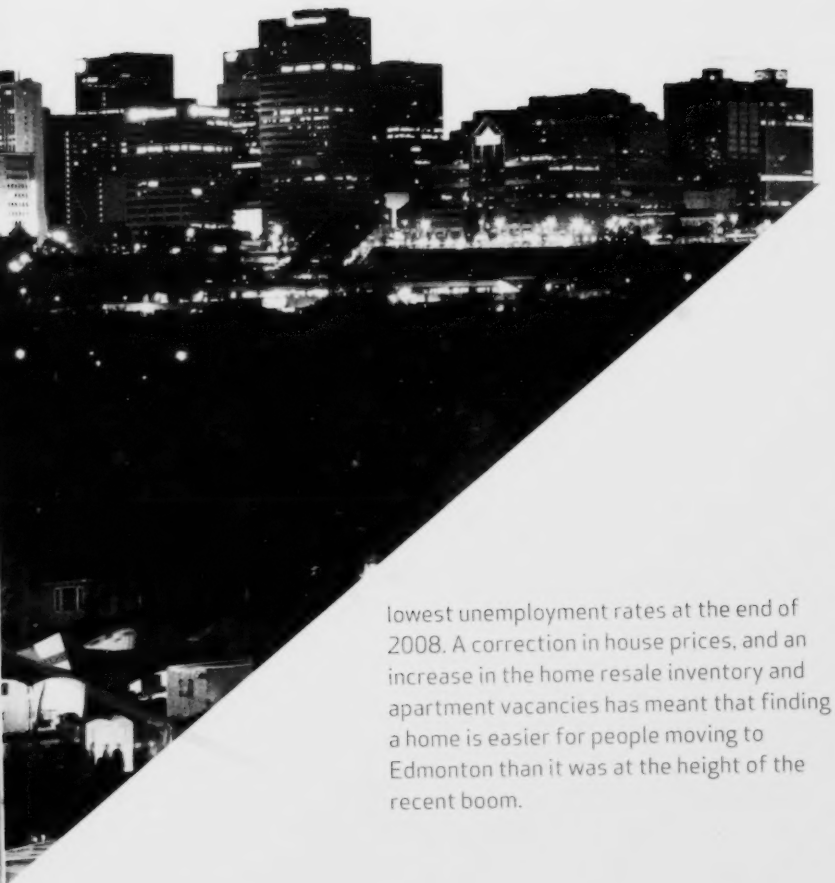
Amid the seismic shift in the global economy that marked 2008, Edmonton charted a steady course, proving resilient despite financial market uncertainty.

Having led Canada's growth for the past five years, the Edmonton region entered this period of economic uncertainty with momentum. Strong fundamentals remain in place, including the region's strategic position as supply centre to the oil sands just hours to the north. With proven reserves of 174 billion barrels, second only to Saudi Arabia, Alberta is increasingly recognized as one of the world's largest and most politically stable sources of oil.

Equally significant in light of the coming shift away from fossil fuels, Edmonton is maturing as a diverse economy. Expanding sectors include a burgeoning eco-industry that is capitalizing on Edmonton's technological talent and passion for environmental leadership. Proven expertise in health care, education, advanced technology, financial services and investment management signal our establishment as a knowledge centre. Meanwhile, the planned inland trade and transportation hub Port Alberta promises to position our region to become a magnet for global trade by air, rail and road.

There is no doubt that the recession, with its 40 per cent drop in oil prices from summer to year-end, has an impact on our region — but not so harshly as elsewhere. A slip from first place to fifth in the CIBC World Markets and Conference Board of Canada rating is coupled with the news that the level of activity in our region remains above average.

Of all the jobs created in Canada in 2008, Alberta claimed 37 per cent and 16,600 were in the Edmonton region. As a result, Edmonton recorded Canada's second



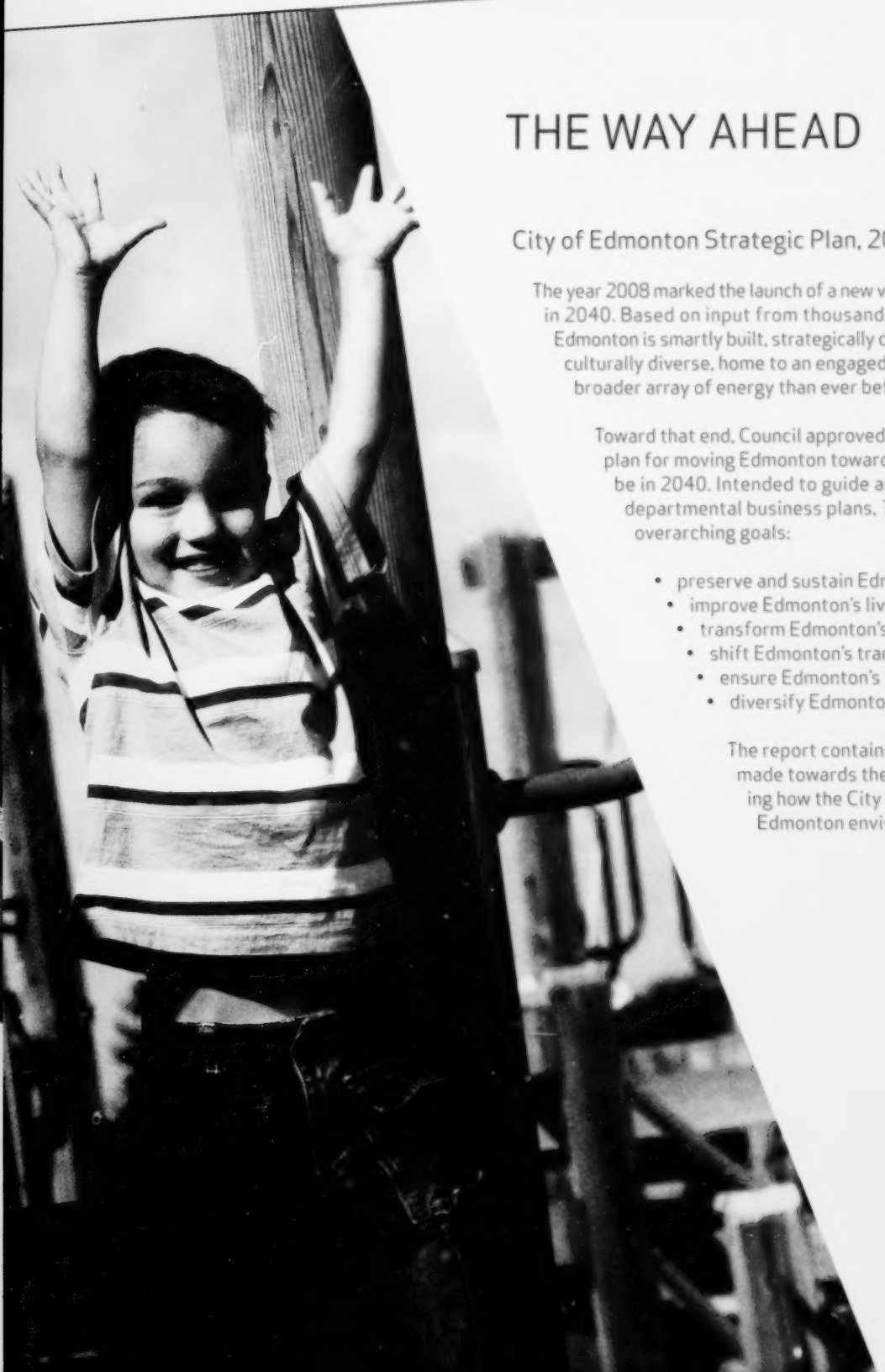
lowest unemployment rates at the end of 2008. A correction in house prices, and an increase in the home resale inventory and apartment vacancies has meant that finding a home is easier for people moving to Edmonton than it was at the height of the recent boom.

The region's residents continue to enjoy higher than the average national personal incomes, some of the lowest overall taxes in Canada and no provincial sales tax. At the civic level, thanks to responsible fiscal management and the use of other sources of revenue, only 4 per cent of a typical household's total taxes goes toward the municipality.

As the world discovered late last year, Canada's strong banking system and stable fiscal and regulatory environment position this nation well to weather economic storms. As part of a wealthy western province with abundant resources and one of the most educated populations, the capital city stands on a particularly sound foundation. Coupled with a strong work ethic and ample community spirit, Edmonton is steady on course to become one of the world's great midsize cities.

Edmonton is one of the
top five
ranked Canadian economies

$7.5 billion
in capital projects are underway, planned or completed in the Edmonton region



THE WAY AHEAD

City of Edmonton Strategic Plan, 2009-2018

The year 2008 marked the launch of a new vision — a vision of Edmonton in 2040. Based on input from thousands of citizens, this future Edmonton is smartly built, strategically connected, artistically astute, culturally diverse, home to an engaged citizenry and powered by a broader array of energy than ever before.

Toward that end, Council approved *The Way Ahead*, a 10-year plan for moving Edmonton towards the city citizens want it to be in 2040. Intended to guide all decisions and align departmental business plans, *The Way Ahead* sets six overarching goals:

- preserve and sustain Edmonton's environment
- improve Edmonton's livability
- transform Edmonton's urban form
- shift Edmonton's transportation modes
- ensure Edmonton's financial stability
- diversify Edmonton's economy

The report contains examples of progress made towards these goals in 2008, highlighting how the City is working to achieve the Edmonton envisioned by its citizens.

CITY VISION

A creative description of Edmonton's future, the vision guides our decisions, helps us set direction and encourages us to align our priorities as we work to make Edmonton the city we want it to become in 2040.

Take a river boat from one shore of the world's largest urban park to the other, from the university to the legislature. From the water, look up and consider the skyline, the bustling core and the towers and urban villages to the east and west. The people on the sidewalks and trails, from First Nations to new Canadians, linked by a common purpose — to learn, to prosper, to celebrate. Take the LRT in any direction from here and you'll be in the heart of somewhere special. Welcome to Edmonton, the capital of Alberta, a northern city of art and ideas, research and energy.

- Edmonton is an energy city. Energy drawn from the ground and from above; from the sun and wind. But the true power of Edmonton is the democratic spark in its people.
- Edmonton is a city of design — urban design, architectural design and environmental design. Walk its safe, leafy neighbourhoods, ride its efficient and accessible transportation system. The city has grown up; now we're building smarter.
- Edmonton links the continent with the north and with Asia. This cooperative regional economy is powerful and diverse, oriented toward the future. Visit the universities and colleges, the humming research parks, the downtown office towers: Edmonton is a destination for advanced technologies, health care, and green energy.
- Edmonton is a recreation city, an arts city. It is a city that embraces all seasons. Run, ride or ski on its trails and fields, cheer in its arenas and stadiums. Enjoy the museums, galleries, clubs, and theatres. Read its novels, watch its films. Spend an hour or a week in the glorious North Saskatchewan River Valley, the world's largest preserved park.
- Edmonton is a city of many cultures, educational opportunities, and all political and social orientations; yet its citizens are inspired by a shared vision and the certainty that this city on a river is one of the most special places on earth.

10-YEAR GOAL

PRESERVE AND SUSTAIN EDMONTON'S ENVIRONMENT

THE WAY WE GREEN

In partnership with its citizens, businesses and institutions, Edmonton is the nation's leader in setting and achieving the highest standards of environmental preservation and sustainability, both in its own practices and by encouraging and enabling the practices of its partners.

Here are examples of how we moved towards our goal in the last year:

Civic leadership

- **Most sustainable.** Edmonton received top ranking among large cities in the third annual Corporate Knights Magazine listing of Most Sustainable Cities in Canada. The City was saluted in particular for its low unemployment rate, high economic security and use of inclining block pricing to encourage water conservation.

- **Green reading.** Named a top 2008 project by Alberta Construction Magazine, the new 25,238 sq. ft. Lois Hole Library in Edmonton's west end meets the Canadian Green Building Council's LEED Silver requirements and is pursuing Gold. The library's sustainable features include the use of filtered roof runoff to flush toilets. Other civic projects aiming for LEED certification include the new Animal Services Facility, the Southwest Transit Garage and the Southwest Community Recreation Centre.

- **Collected wisdom.** The Edmonton Biodiversity Report captures Edmonton's environmental story in one place for the first time. Part of an international Local Action for Biodiversity project, headed by the international organization Local Governments for Sustainability (ICLEI), this report and others will help build a biodiversity toolkit to be used by communities around the world.

- **The social side of garbage.** The Edmonton Waste Management Centre of Excellence hosted the second annual conference on the socio-economic aspects of waste management, attracting speakers and delegates from around the world. The May event sets the stage for the ICLEI World Congress in June 2009, when 750 delegates visit Edmonton to discuss local sustainability.

- **Diversionary tactics.** The Shaw Conference Centre's 2008 environmental initiatives diverted 110 tonnes of organic waste to the City's composting plant, recycled 25 tonnes of cardboard and reduced garbage disposal by 10 per cent.

Enabling citizen action

- **Piloting ecoMobility.** The City laid plans to launch the world's first ecoMobility project under the Global Alliance for EcoMobility. A month-long Local Motion demonstration in the community of Parkallen, timed to coincide with the ICLEI World Congress, will model healthy, accessible and flexible travel within vibrant and livable neighbourhoods.

- **Green footprint.** Since the launch of the online calculator (**edmonton.zerofootprint.net**) in July 2008, more than 2000 residents have measured their environmental footprint and committed to taking at least two new green actions by June 2009. As part of a Go Green – It's Our Nature campaign, residents who make the pledge are eligible for prizes, including the use of a hybrid car for a year.

- **Store It, Don't Pour It!** An adult public education campaign launched in the spring of 2008 encouraged residents to stop pouring fats, oils, and grease down the drain. Research before and after the campaign shows a 300 per cent increase in awareness of this issue and an 18 per cent increase in the number of people that have changed their behaviour.

- **Down with idling.** Billboards, bus ads and radio spots encouraged drivers to reduce their idling time in a two-month campaign co-sponsored with the Alberta Motor Association, the Clean Air Strategic Alliance, the Alberta Motor Transport Association and ECO-AIR (Edmonton's Children's Organized Anti-Idling Recruiters).

- **Carpool.ca expands.** Registration in Edmonton's regional ride-matching service grew to nearly 2,500 by the end of 2008, an increase of about 150 per cent. Reserved parking at Stadium, Belvedere and Clareview LRT stations for cars carrying at least two people will add to the incentive to carpool.

- **Earth Hour.** Edmonton joined 370 cities around the world in inviting citizens to turn off lights during Earth Hour on March 29, 2009. A full 2,600 Edmontonians signed up for the global initiative, and power consumption in monitored City buildings went down 15 per cent.

- **Project Porchlight Alberta.** Edmontonians were invited to help deliver free compact fluorescent light bulbs door to door to demonstrate the importance of making simple yet smart energy changes. Each compact fluorescent saves about $50 in electricity savings over its lifetime. Run by the not-for-profit One Change, the initiative receives support from the cities of Edmonton and Calgary as well as EnCana Corporation and the Government of Alberta.

"The tendency of cities to eat up the world's resources and habitat is unsustainable. Edmontonians know this and are demanding we act to address climate change and conserve and protect natural habitat in the city and the region."

Draft Municipal Development Plan

60%
of Edmonton's residential waste diverted from landfill

150 per cent increase
in the number of people registered with the City's ride-matching service carpool.ca

10-YEAR GOAL

THE WAY WE LIVE

Here are examples of how we moved towards our goal in the last year:

Welcoming all

- **Newcomers guide** Available in English, French, Spanish, Arabic, Hindi and Mandarin, the 26-page Edmonton Newcomers Guide was introduced with essential information about living and working in Edmonton.
- **Citizen Service Centre** Newcomers and citizens gained a one-stop shop for Edmonton information. Opened in January 2009, the Citizen and New Arrival Information Centre is located in City Hall.
- **Aboriginal Edmonton** Now in its fourth printing, the popular Guide to Aboriginal Edmonton provides contact information and brief descriptions of Aboriginal services and organizations ranging from arts to business to education and social supports.
- **Racism Free Edmonton** In partnership with Edmonton Police Service, school boards, nonprofit organizations, post-secondary institutions, Aboriginal organizations and other orders of government, the City developed the Racism Free Edmonton Action Plan to address racism and discrimination in Edmonton.

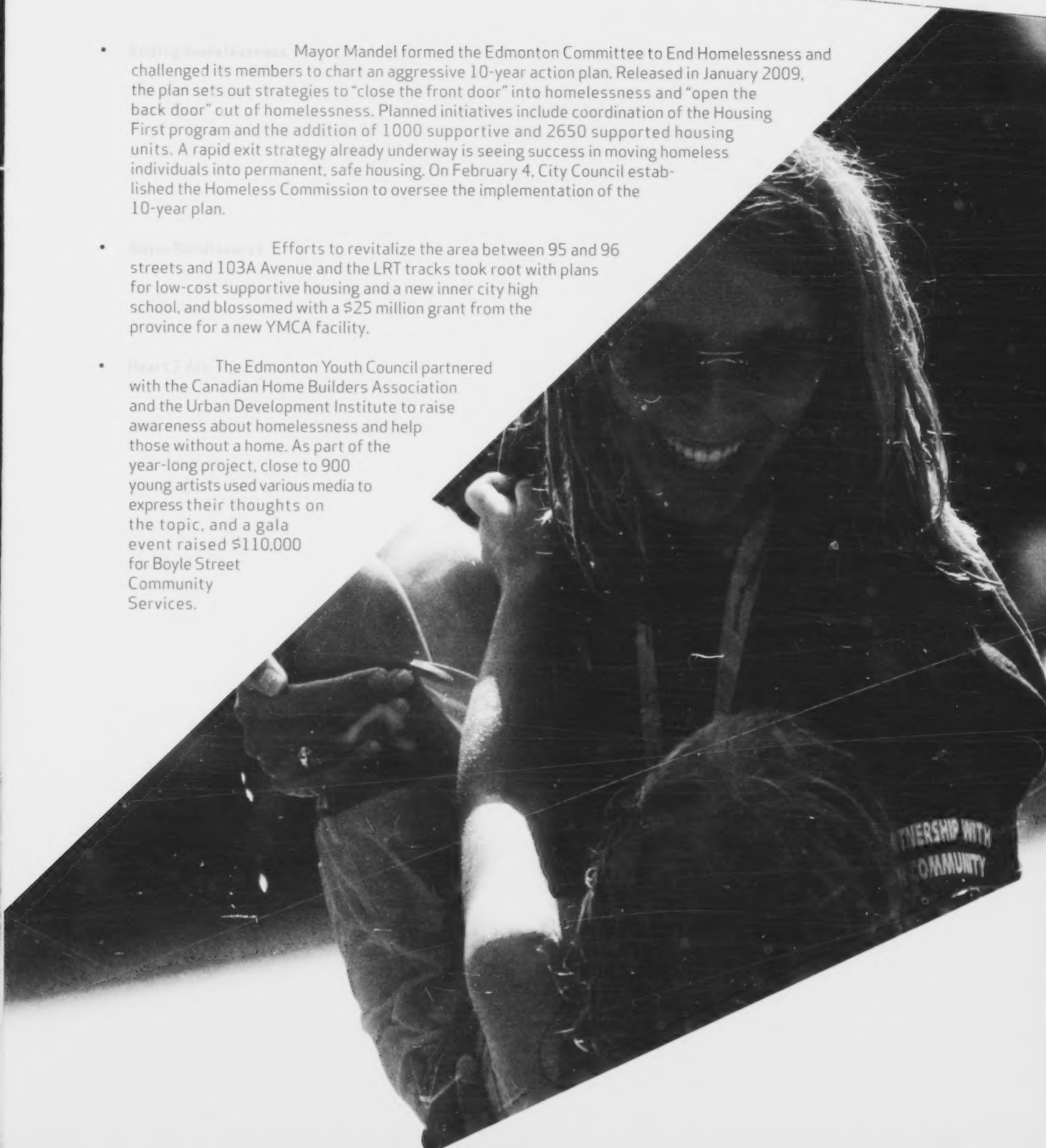
Affordable homes

- **Cornerstones** Edmonton gained 820 affordable housing units with the help of provincial funding. That's nearly double the 2008 target set by City Council's five-year Edmonton Cornerstones Plan, which calls for 2,500 additional units by 2011.
- **Affordable suites** Following extensive public consultation, City Council approved grants for homeowners who develop safe basement and garden suites and agree to rent the units at 85 per cent of median cost for at least five years. The initiative promises to expand Edmonton's supply of affordable housing while helping owners make mortgage payments.

- **Ending Homelessness** Mayor Mandel formed the Edmonton Committee to End Homelessness and challenged its members to chart an aggressive 10-year action plan. Released in January 2009, the plan sets out strategies to "close the front door" into homelessness and "open the back door" out of homelessness. Planned initiatives include coordination of the Housing First program and the addition of 1000 supportive and 2650 supported housing units. A rapid exit strategy already underway is seeing success in moving homeless individuals into permanent, safe housing. On February 4, City Council established the Homeless Commission to oversee the implementation of the 10-year plan.

- **Boyle Renaissance** Efforts to revitalize the area between 95 and 96 streets and 103A Avenue and the LRT tracks took root with plans for low-cost supportive housing and a new inner city high school, and blossomed with a $25 million grant from the province for a new YMCA facility.

- **Heart 2 Art** The Edmonton Youth Council partnered with the Canadian Home Builders Association and the Urban Development Institute to raise awareness about homelessness and help those without a home. As part of the year-long project, close to 900 young artists used various media to express their thoughts on the topic, and a gala event raised $110,000 for Boyle Street Community Services.



Active lifestyles

- Civic leadership in promoting active lifestyles continued with such initiatives as the Get Active Challenge Contest 2008, a Winter Walk Day, the Physical Activity and Recreation Directory for Older Adults and activity guides for winter and summer 2008.

- Construction began on the new Southwest Community Recreation Centre, which will include Alberta's first four-pad arena complex. Meanwhile, the Peter Hemingway Fitness and Leisure Centre and the Central Lions Seniors Recreation Centre received significant upgrades.

Changed living spaces

- The Graffiti Management Program was launched with four goals: engagement, eradication, education and enforcement. The program supports the enhanced Community Standards Bylaw 14600, which requires property owners to remove graffiti promptly. The work of property owners, volunteers, community groups and the City's graffiti removal van resulted in over 80,000 square feet of graffiti removed from private and public spaces.

- All three orders of government announced funding support for the City's new Animal Care and Control Facility. The facility — to be co-located with the Humane Society at 13620 163 Street — will provide one-stop service for both public and private animal care and control. Friendly to pets and their owners as well as the environment, the facility will feature geothermal heating and cooling along with other measures that will increase environmental efficiency and reduce the tax dollars used to run the facility.

- A new Great Neighbourhoods plan was developed to improve effectiveness and efficiency by better integrating the planning and delivery of civic programs and services in Edmonton's more than 300 neighbourhoods.

Fostering heritage

- The historic resources management plan passed in October 2008 reinforces the City's desire to encourage the designation and conservation of Edmonton's historic resources. The plan expands the ranges of incentives available for designated sites and broadens the preservation mandate to include archaeology and cultural landscapes.

- The City actively supported and promoted the University of Alberta's celebration of its hundredth year in Edmonton with a 12-month calendar of events that included the launch of a Festival of Ideas.

- Edmonton Transit celebrated 100 years of service by inviting Edmontonians to "Join the Ride of the Century." Events throughout 2008 honoured transit's important role in our evolving city.

Enhancing safety

- A pilot Seniors Falls Prevention project supported seniors in Edmonton at risk of falling by equipping paramedics to tell at-risk seniors how to prevent falls and recover after falling. Paramedics involved in the pilot referred more than 60 patients to a health care network, increasing their access to fall prevention programs and resources. Falls are the second most frequent reason for calls to Edmonton Emergency Medical Services.

- Defibrillators available for public use expanded to 210 sites across the city in a Heart-Safe program involving Edmonton EMS; Alberta Health Services; and the Heart and the Stroke Foundation of Alberta, NWT & Nunavut. Doctors credited speedy use of an onsite defibrillator for sparing the life of a hockey player involved in a scrimmage at NAIT arena.

- Fire Rescue Services worked with the Alberta government to amend 18 building codes to minimize the severity and damage caused by fire. The new provincial codes are being implemented two years ahead of the expected national code changes.

- Motorists in the Twin Brooks neighbourhood were improving safety by serving as mobile speed bumps in cars adorned with "I drive the speed limit" decals. Other communities borrowed speed guns and display boards to discourage residential speeding. Community leagues and schools are enthusiastically supporting the spread of those and other civic efforts to improve pedestrian safety around schools and on residential streets.

- Firefighters installed 770 smoke detectors in older Edmonton neighbourhoods in the second year of a home safety program supported by Home Depot, the Alberta Chapter of the Canadian Homebuilders' Association and Local 209 of the Edmonton Firefighters Union.

- Formed in September, the Edmonton Taskforce on Community Safety is connecting and focusing the many existing community crime prevention initiatives in hope of creating the synergy that will build a safer city.

- Edmonton Transit became one of the nation's first transit systems to initiate the federally funded Transit Watch, which encourages staff and customers to stay alert and work together much as neighbours do in Neighbourhood Watch.

- Safedmonton's first annual Good Neighbour awards attracted nearly 150 inspiring stories, each illustrating that everyday acts of kindness help make our city safe.

- Fifteen new Peace Officers focused on safety and security in the downtown core and nine new Community Standards Peace Officers expanded the focus of Bylaw Enforcement Services to address public issues such as illegal dumping, vehicles driving with unsecured loads and excessive construction and industrial noise. They join Transit Peace Officers, Park Rangers and other Peace Officers to help keep Edmonton a liveable, clean and safe city.

- Edmonton Police Service purchased a second helicopter to meet increased demand for air support and to ensure uninterrupted service when Air1 requires maintenance.

- A new team of Municipal Enforcement Officers ensured speedy and persistent enforcement of chronically messy properties, shortening cleanup times by 40 per cent.

Critical conservation

- Edmonton Valley Zoo welcomed two amur (Siberian) tiger cubs. Their names, Taiga and Amur, were chosen from a thousand entries to a naming contest. The zoo supports the Species Survival Program for the critically endangered amur tigers. Fewer than 500 of these tigers exist in the wild.

- The zoo joined Amphibian Ark, a global effort to save frogs and other amphibians. Besides offering a multitude of courses, lectures and school visits, the zoo supported fundraising for frog conservation through onsite information programs. In 2009 the zoo intends to begin breeding critically endangered species and working with Amphibian Ark on release programs.

Engaging citizens

- Edmonton This Week, the City of Edmonton weekly radio program that airs on CHED every Saturday from 7 to 8 a.m., was made available online at **edmonton.ca/edmontonthisweek**. Past and present programs provide an in-depth look at a wide range of city programs.

- The City unveiled an expanded, user-friendly website following extensive user research. Accessible on all technology platforms, it's built to international standards for the visually and hearing impaired.

- Live streaming video coverage of City Council meetings became available at **http://councilontheweb.edmonton.ca/**.

- A new online calendar, **edmonton.ca/PublicInvolvementCalendar**, shows at a glance when, where and how citizens can participate in public consultation on issues that concern them.

- Citizens gained three-digit access to anything they want to know about the City of Edmonton, with interpreters available in numerous languages. From reporting potholes to registering for swimming classes, this one-stop-shop improves access to City information.

- To ensure the right mix of services and accurate per capita grant funding, City Council approved a shift to an annual municipal census. The 2009 census begins April 1.

- Mayor Mandel and city councillors invited Edmontonians to discuss 2009 budget priorities during a series of town hall meetings in each of the city's six wards.

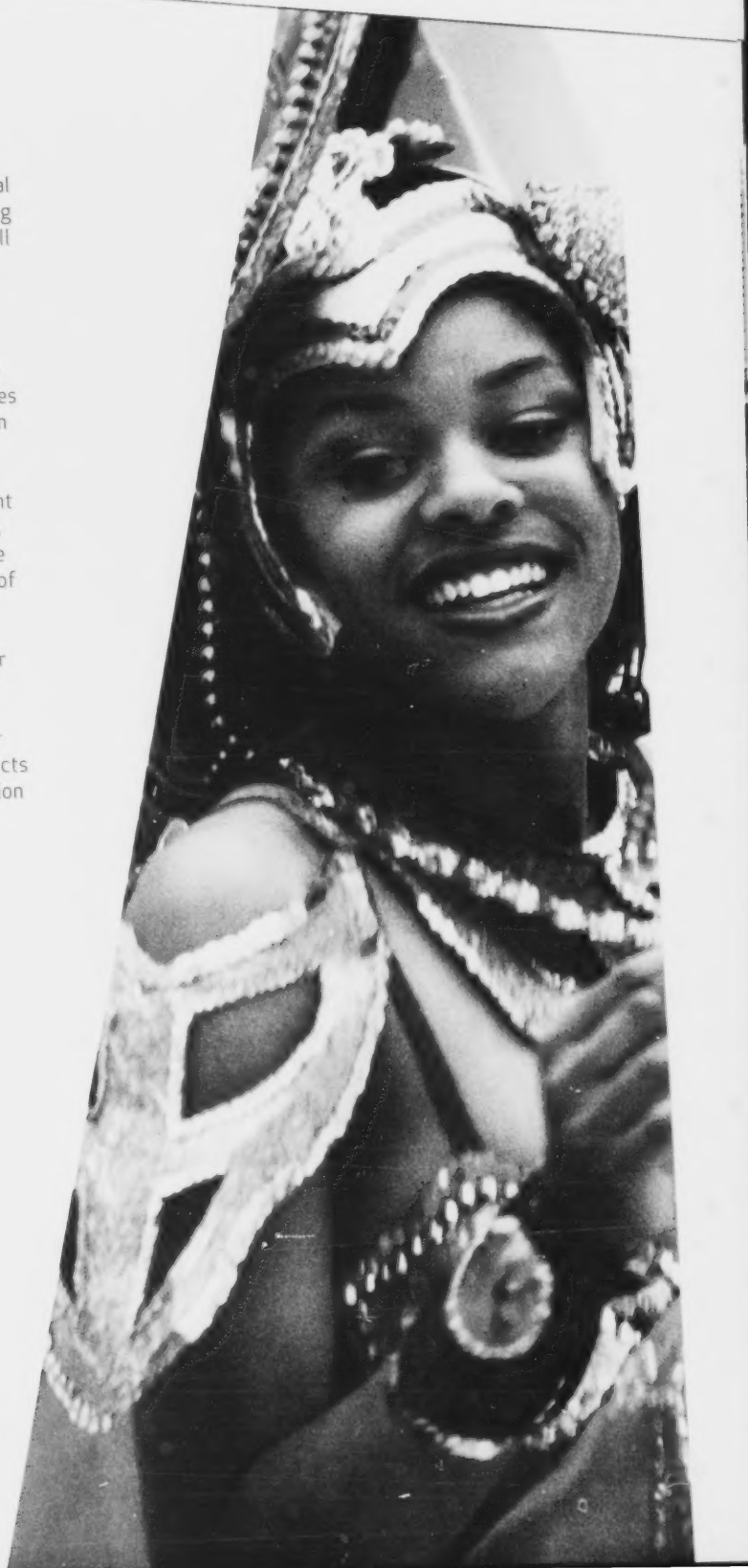
Supporting the arts

- **Living Art** A plan for implementing the Art of Living, Edmonton's vision for arts and heritage, received approval in principle in August. The plan calls for increased funding for space, events, grants and supporting bodies as well as collaborative ways of using existing resources to "secure the future of arts and heritage" in Edmonton.

- **Creative Age Festival** A first-of-its-kind event celebrating arts and aging held in June 2008 challenged stereotypes through workshops, screenings, performances and a symposium co-sponsored by the City of Edmonton and the University of Alberta.

- **Celebrating winter** Edmonton's first annual Winter Light Festival was celebrated from January to March 2009. A weaving together of new and existing winter events, the festival celebrated our northern climate and the range of activities it enables.

- **Public art map** A comprehensive new Public Art Master Plan approved in 2008 charts a principled and creative approach to expanding the array of art in Edmonton's public realm. Under a civic policy that allocates one per cent of the capital budget of qualifying municipal projects for public art, 10 public art pieces are nearing completion and eight others are beginning production.



10-YEAR GOAL

TRANSFORM EDMONTON'S URBAN FORM

THE WAY WE GROW

Edmonton has increased its density and optimized existing infrastructure, maintaining and revitalizing strong, vibrant neighborhoods while ensuring high standards of urban design, adopting best land use practices and preserving natural areas and public spaces.

Here are examples of how we moved towards our goal in the last year:

Ensuring high standards

- **The Way We Grow.** Edmonton's new Municipal Development Plan *The Way We Grow* encourages more efficient use of land and more variety in living and working environments to achieve the City Vision. The plan is closely integrated with the City's Transportation Master Plan *The Way We Move* to achieve more coordinated decision making. Both plans passed first reading in November, setting the stage for public hearings in spring 2009.

"If the Avenue ever gets to the point where it runs out of parking, then we will know we have succeeded."

Alberta Avenue Plan

Optimizing existing infrastructure

- **Inviting storefronts.** Thirteen commercial building owners improved their storefronts in 2008 under the City's Façade Improvement Program, which reimburses up to 50 per cent of the cost of upgrades that promise to add interest and appeal to streetscapes in Business Revitalization Zones.

- **Silver for infrastructure.** Edmonton won a national award from the Institute of Public Administration of Canada for innovative management of roads, sewers, bridges, LRT lines and other infrastructure investments. Among the first cities in the country to launch an infrastructure office, Edmonton has built a system that attracts international study and regard.

- **Sweet Brownie.** Civic efforts to clean up and redevelop contaminated industrial lands along Fort Road as part of the Station Pointe redevelopment earned the 2008 Brownie Award for Brownfield Development from the Canadian Urban Institute.

Preserving natural areas

- **Downtown riverfront.** Phase Two of the Legacy Project in Louise McKinney Riverfront, immediately south of the Shaw Conference Centre, opened in September. This phase added central viewpoints, boat docks, amenity buildings, a widened Trans Canada Trail, an expanded promenade and two public washroom buildings. Funding partners include the Province of Alberta and the River Valley Alliance.

- **Wetland classroom.** Grade 5 students took part in wetland field trips as part of Edmonton's overall *Treat it Right!* education program. The program helps students understand that the health of the North Saskatchewan River system is affected by everything dumped down the drain, indoors and out.

Strong, vibrant neighbourhoods

- **Neighbourhood renewal.** Council approved a long-term strategy for renewing neighbourhood roads, sidewalks and streetlights, funded through a combination of property taxes, provincial funding and cost sharing with property owners.

- **Renewing the Avenue.** Phase One of the initiative to re-energize 118 Avenue from NAIT to Northlands was completed. An improved streetscape coupled with enthusiastic community involvement sparked a litany of festivals, work bees and enterprises with the goal of addressing social problems such as poverty and crime along with appearance. Work on streets, businesses, and green spaces will continue through 2009 along with revitalization efforts in Central McDougall, McCauley and Jasper Place.

- **Strathcona Junction.** A new vision for the area surrounding the southside Canadian Pacific Railway yards took shape in consultation with landowners, community members and other stakeholders. The vision suggests an impressive entrance to the central city that blends commerce, industry and culture to create a vibrant, green, human-scale environment.

- **Downtown Plan.** Edmonton's proposed Downtown Plan sets out a new vision and framework to ensure the city's future downtown is sustainable, dynamic, well-designed, livable and accessible. Based on comprehensive citizen input, the draft Downtown Plan received strong support from citizens, businesses and City Council.

Land use and urban design

- **Smart Choices.** Toward the goal of developing a more compact, walkable, sustainable, transit-oriented city with improved design and engaged communities, new guidelines for infill development in Edmonton's mature neighbourhoods were drafted after widespread consultation. A new planning process for redeveloping large residential sites in older neighbourhoods was proposed to enable earlier and more frequent consultation with the community.

- **Design accolades.** The City's innovative approach to urban planning and education received a Special Achievement Award in Planning from the International Downtown Association, a global leader in downtown revitalization. The Downtown North Edge Plan and Urban Design Handbook, which demonstrates good urban design for use by businesses and citizens alike, also received an Award of Merit in 2007 from the Alberta Association of the Canadian Institute of Planners.

- **The Quarters.** To encourage new investment in Edmonton's east downtown, incentives and new planning approaches were recommended including a Community Revitalization Levy to finance needed municipal infrastructure. The plan for the Quarters Downtown calls for urban renewal that combines affordable housing options with high quality mixed-use design. To be finalized in 2009, the plan received broad support from residents, the community and the development industry.

"Our City has spent more on basic infrastructure in the last four years than we have at any time in our history. These projects — all of them — add to our city's vibrancy. And the projects that make the city great to live in also make it a great city to visit."

Council discussion on infrastructure investment

10-YEAR GOAL

SHIFT EDMONTON'S TRANSPORTATION MODES

THE WAY WE MOVE

Modes of transportation shift to "fit" Edmonton's urban form and enhanced density while supporting the City's planning, financial and environmental sustainability goals.

Here are examples of how we moved towards our goal in the last year:

66 million
transit trips in 2008

120,000 vehicles
per day travel on the Quesnell Bridge, the busiest bridge in Edmonton

Shifting modes

- **The Way We Move.** Edmonton's new Transportation Master Plan *The Way We Move* passed first reading in November, setting the stage for public hearings in spring 2009. Developed in coordination with the Municipal Development Plan *The Way We Grow*, the plan provides an overall vision for Edmonton's transportation system to 2040.
- **Walking maps.** Walkable Edmonton, Active Edmonton and community leagues teamed up to create community walking maps for Woodcroft, Riverbend, The Ridge and Strathcona. Residents in each community attended workshops to contribute to the maps, which include sample walking routes of varied distances.
- **Attracting riders.** An added 1,600 bus service hours a week, coupled with a new Family Fare and the popularity of such initiatives as ETS@Work and Green and Go with the Edmonton Eskimos encouraged Edmontonians to hop on board the transit experience.
- **One-dial DATS.** A new DATS Customer Care Centre provides one-stop shopping for riders with mobility needs. DATS riders simply call 780-496-4567 to book, change or cancel a trip; register for DATS comment or make an inquiry.
- **New LRTs.** The first of 37 sleek new SD160 LRT vehicles began service in January 2009. The air conditioned cars will improve security, cut maintenance costs and reduce power use through regenerative breaking and other energy saving technologies. These are the first LRT vehicles added to the fleet since 1983.
- **South LRT.** With construction completed on the LRT extension from Health Sciences Station to South Campus, commuters can access the LRT from the McKernan/Belgravia and South Campus stations in April 2009.

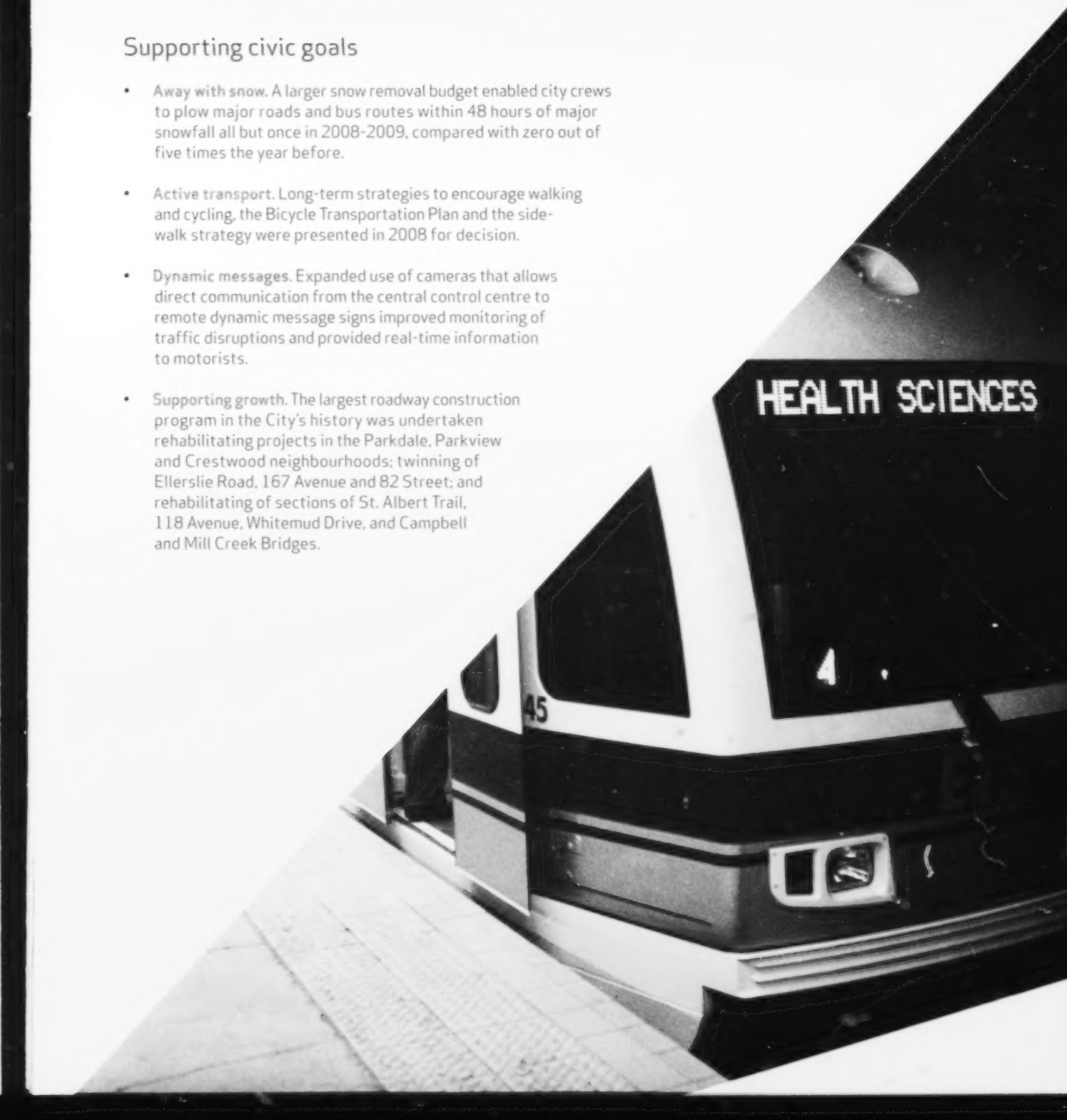
Supporting civic goals

- **Away with snow.** A larger snow removal budget enabled city crews to plow major roads and bus routes within 48 hours of major snowfall all but once in 2008-2009, compared with zero out of five times the year before.

- **Active transport.** Long-term strategies to encourage walking and cycling, the Bicycle Transportation Plan and the sidewalk strategy were presented in 2008 for decision.

- **Dynamic messages.** Expanded use of cameras that allows direct communication from the central control centre to remote dynamic message signs improved monitoring of traffic disruptions and provided real-time information to motorists.

- **Supporting growth.** The largest roadway construction program in the City's history was undertaken rehabilitating projects in the Parkdale, Parkview and Crestwood neighbourhoods; twinning of Ellerslie Road, 167 Avenue and 82 Street; and rehabilitating of sections of St. Albert Trail, 118 Avenue, Whitemud Drive, and Campbell and Mill Creek Bridges.



10-YEAR GOAL

ENSURE EDMONTON'S FINANCIAL SUSTAINABILITY

THE WAY WE FINANCE

Edmonton is financially sustainable, with the revenue resources required to support its plans and provide the infrastructure performance and services citizens need.

Here are examples of how we moved towards our goal in the last year:

Financially sustainable

- Enhanced organizational capacity. Administrative changes were made to ensure the City can respond to the challenges and opportunities of an increasingly complex and rapidly changing environment while delivering the greatest value of services and the infrastructure that Edmontonians want.
    - Deputy City Manager's Office. This Office was created to develop long-term direction, strategic corporate functions and integrated programming.
    - Finance and Treasury. This Department, led by the new Chief Financial Officer, focuses on strengthening financial accountability and long-term financial strategy.
    - Capital Construction. Civic capital project planning and management expertise was consolidated into one department to focus accountability and efficiency for designing and constructing buildings, LRT and roads on time and on budget.

AA+
Standard & Poor's credit rating

$5 per day
investments over ten years for all municipal services

Managing resources

- **Capital Investment Agenda.** A new 10-year agenda for building and maintaining City of Edmonton infrastructure informed the City's 2009-2011 Capital Budget. The agenda sets ground rules for determining which projects are highest priority, striking a balance between growth and renewal. It guides investment decisions based on strategic goals while allowing for shifting priorities. To move the City toward its long-term vision of shifting modes of transport, for example, the agenda proposes a greater percentage of funding go to transit projects.

- **Capital Region Board.** Recognizing that all area municipalities must collaborate to achieve the region's potential, the Government of Alberta pulled all 25 into a Capital Region Board and mandated the board to create a comprehensive growth management plan for submission by March 31, 2009. When accepted by the Government of Alberta, the plan becomes binding legislation.

- **Green Savings.** 200,000 tonnes of recycled sidewalk and road material plus 110,000 tonnes of recycled winter street sand equals big savings. The City's green practices save an estimated $9 million a year while diverting the material from the landfill, extending the life of the Clover Bar by as much as a decade.

- **Change for Savings.** The City found that a small change in the width of bus transfers saves not only paper, but $90,000 a year in printing costs — another example of how the City innovates to save tax dollars and deliver services more efficiently.

10-YEAR GOAL

DIVERSIFY EDMONTON'S ECONOMY

THE WAY WE PROSPER

Edmonton is recognized as an economic powerhouse, maximizing the diversity of its economic advantages, including its location as Port Alberta and as a portal to the north; as the urban centre of regional industrial development; as a knowledge and innovation centre for value-added and green technologies and products; and as a place that attracts and supports entrepreneurs.

Here are examples of how we moved towards our goal in the last year:

Global portal

- **Northeast Industrial Strategy.** Work moved ahead on an Area Structure Plan (ASP) that will make space for oil-related industry and eco-industrial development northwest of Manning Drive in northeast Edmonton. The Horsehills Industrial Area ASP was accepted by an interdepartmental steering committee and attracted debate at open houses in 2008. The plan is due for public hearing in 2009.
- **Port Alberta.** A memorandum of agreement signed in early 2008 by the City's economic development arm Edmonton Economic Development Corporation, Edmonton Airports and Edmonton Chamber of Commerce set the stage to dramatically expand Edmonton's cargo capacity with the aim of transforming this region into a leading global transportation and trade hub. Recognizing the need for cargo capacity to ensure the success of such ventures as the envisioned northeast industrial area, Edmonton designated an engineer, a project coordinator and $360,000 in financial support to the Port Alberta initiative.

10% increase in Edmonton area registered businesses since 2005

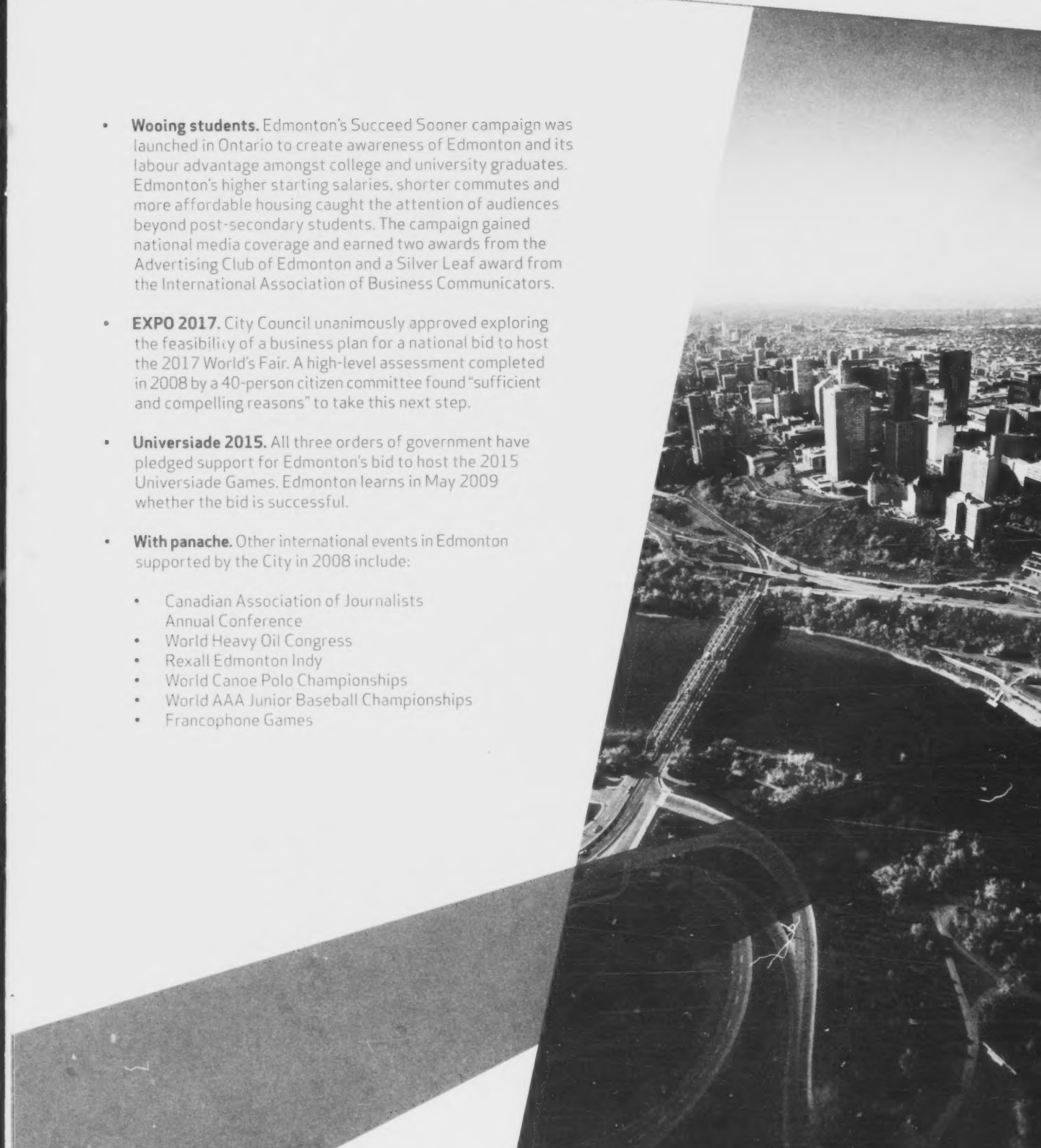
- **Wooing students.** Edmonton's Succeed Sooner campaign was launched in Ontario to create awareness of Edmonton and its labour advantage amongst college and university graduates. Edmonton's higher starting salaries, shorter commutes and more affordable housing caught the attention of audiences beyond post-secondary students. The campaign gained national media coverage and earned two awards from the Advertising Club of Edmonton and a Silver Leaf award from the International Association of Business Communicators.

- **EXPO 2017.** City Council unanimously approved exploring the feasibility of a business plan for a national bid to host the 2017 World's Fair. A high-level assessment completed in 2008 by a 40-person citizen committee found "sufficient and compelling reasons" to take this next step.

- **Universiade 2015.** All three orders of government have pledged support for Edmonton's bid to host the 2015 Universiade Games. Edmonton learns in May 2009 whether the bid is successful.

- **With panache.** Other international events in Edmonton supported by the City in 2008 include:

    - Canadian Association of Journalists Annual Conference
    - World Heavy Oil Congress
    - Rexall Edmonton Indy
    - World Canoe Polo Championships
    - World AAA Junior Baseball Championships
    - Francophone Games



Value-added and green technologies

- **Closing the loop.** Construction begins in spring 2009 on a closed-loop paper recycling facility at Edmonton's Waste Management Centre that will turn waste paper, boxes and cardboard into goods for sale to the City and other interested buyers. Operated by Greys Paper Recycling Industries, the facility will be cocooned in a dome with R-60 insulation, one of the most energy efficient building types available. The process uses benign chemicals and one-twentieth of the water needed by traditional paper mills.

- **Biofuel from waste.** The world's first industrial scale municipal waste-to-biofuel facility will locate in Edmonton under an agreement signed in June 2008 with Greenfield Ethanol, Canada's largest ethanol producer, and Enerkem, a leading biofuel technology company. The next-generation facility will reduce the region's carbon dioxide footprint as much as removing 12,000 cars off the road every year.

- **Broadening the net.** Edmonton Economic Development Corporation attracted four new businesses to the region and saw progress in key sectors, including health industries, advanced technologies, energy and tourism.

- **Electronics recycling.** Edmonton's long-awaited electric and electronics recycling plant opened in March 2008. Owned and operated by Global Electric and Electronic Processing (GEEP) Alberta Inc., the plant is expected to process 30,000 tonnes a year of old computers and televisions as well as a wide range of electronic and electric waste.

Entrepreneurial supports

- **TEC Centre.** Doors opened in April 2008 on a technology incubator for inventors, entrepreneurs, investors, university spin-offs and citywide startups. Located downtown in Enterprise Square, TEC Centre is operated by TEC Edmonton, a joint venture between the City of Edmonton's Edmonton Economic Development Corporation (EEDC) and the University of Alberta.

- **Funding new ventures.** TEC Edmonton added seven new ventures to its portfolio and supports the growth of early stage financing through the iNovia Seed Fund. Among 2008 success stories is Exciton Technologies, which gains $2.5 million from angel investors and granting agencies for silver-based technology that promises to prevent infection and the spread of disease.

- **Incubator net.** A new Regional Alliance brought together five incubation facilities and coordinates the services of TEC Edmonton and the Northern Alberta Business Incubator (NABI). The alliance streamlines the connection between entrepreneurs and resources, a key step in Alberta Action Plan: Bringing Technology to Market.

- **Social Enterprise Fund.** The fund combines business expertise with flexible financing to help Edmonton not-for-profit organizations and cooperatives create or expand strong, sustainable business ventures or social or affordable housing projects. The City is a key partner.

- **Biotech Centre.** The Biotechnology Business Development Centre, a multi-tenant facility designed to help growing companies, opened at the Edmonton Research Park. All finished spaces were quickly leased.

1,500
scientists, researchers, technicians and staff at Edmonton Research Park

GOING FORWARD

Guided by *The Way Ahead*, our 10-year strategic plan, the City of Edmonton is on course for a vibrant, sustainable future. Three-year priority goals set out in the plan will help us set priorities for delivering and improving services, programs and infrastructure that contribute to achieving strategic goals.

Preserve and Sustain Edmonton's Environment

Three-year priority goals:

- Increase and broaden advancement towards zero waste;
- Reduce water consumption (per capita);
- Increase use of renewable energy (in city operations);
- Reduce greenhouse gas emissions (in city operations);
- Improve air, water and soil quality (in city operations); and
- Increase access and proximity to ecological (natural and groomed) systems.

Improve Edmonton's Livability

- Enhance social connectedness for all citizens;
- Reduce and prevent crime in our: transit, downtown and communities;
- Reduce litter, graffiti and vandalism in target areas;
- Preserve, celebrate and support Edmonton's heritage, arts and culture;
- Reduce barriers to participation in recreation activities and local programs;
- Improve community engagement and participation; and
- Increase the supply and range of affordable housing to meet citizens' needs.

Transform Edmonton's Urban Form

Three-year priority goals:

- Increase dwelling density1 with conditions such as:
  - recognizing unique neighbourhood, commercial, industrial characteristics and service needs;
  - transit-oriented development (TOD);
  - adequate and affordable housing and living environments;
  - a mix-use of residential and commercial development;
  - eco-efficient;
  - safe; and
  - aesthetically pleasing.
- Strategically invest in select infrastructure as set by the Long-range Financial Plan and the Strategic Infrastructure
- Financial Strategy;
- Refocus spending on renewing existing infrastructure relative to investment in new infrastructure; and
- Improve city's urban architecture and urban form to ensure it meets environmental standards and exemplifies excellence in urban, architectural and landscape design.

Shift Edmonton's Transportation Modes

Three-year priority goals:

- Increase transit ridership;
- Ensure transit sustainability through appropriate cost recovery ratio;
- Reduce barriers to the use of different modes of transportation;
- Increase traffic safety;
- Select and remedy high congestion areas to better facilitate travel through and around the city.

Ensure Edmonton's Financial Sustainability

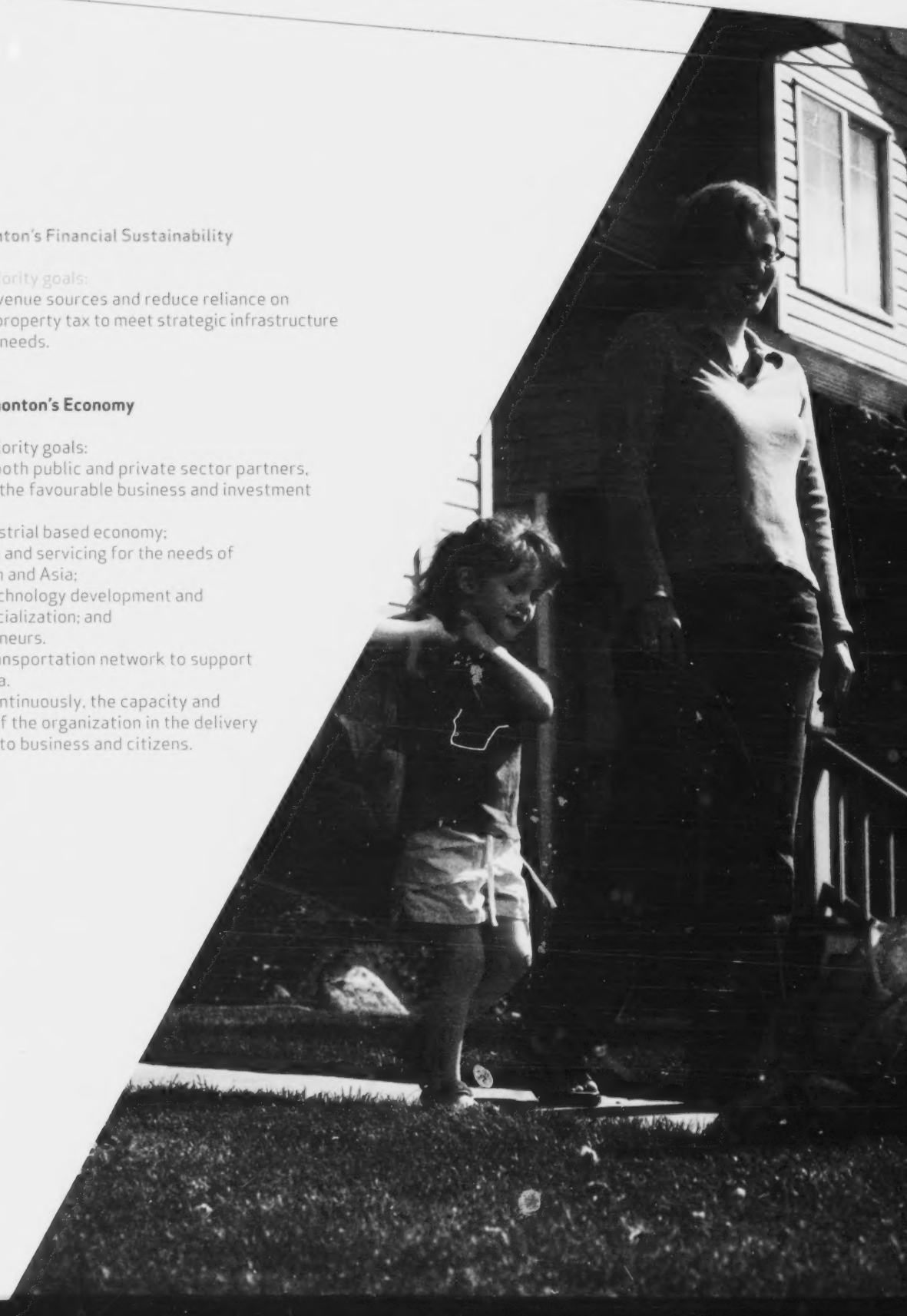
Three-year priority goals:

- Increase revenue sources and reduce reliance on residential property tax to meet strategic infrastructure and service needs.

Diversify Edmonton's Economy

Three-year priority goals:

- Work with both public and private sector partners, to improve the favourable business and investment climate for:
  - Eco-industrial based economy;
  - Logistics and servicing for the needs of the North and Asia;
  - Green technology development and commercialization; and
  - Entrepreneurs.
- Invest in transportation network to support Port Alberta.
- Improve, continuously, the capacity and capability of the organization in the delivery of services to business and citizens.



2008 FINANCIAL RESULTS

OPERATING RESULTS

The significant downturn and uncertainty in the global economy over the latter part of 2008 challenged the City of Edmonton as it did other businesses. Despite prudent fiscal management, the City ended 2008 with a tax-supported operating deficit of $20.3 million (1.3 per cent of the expenditure budget).

The 2008 deficit was primarily a result of:

- Reduced net investment earnings due to market volatility;
- Additional contribution to the 2008 Edmonton Indy racing event;
- Higher projected realty tax appeal expenditures;
- An increase in transit fuel costs for a portion of the year; and
- Reduced land development application fees.

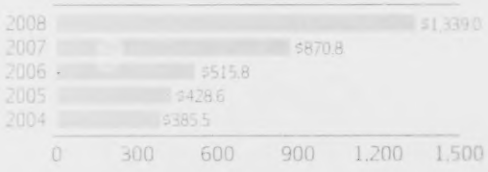
The deficit was partially offset by delays in hiring and funding agreements, higher inspection fees, additional design and construction revenue from favourable fourth quarter weather conditions, and additional Traffic Safety Act fine revenue.

WHERE THE MONEY TO RUN THE CITY COMES FROM
(millions of dollars)

*Government transfers include transfers in lieu of tax.

The 2008 tax-supported deficit will be funded from the Financial Stabilization Reserve (FSR), which was established to address significant emergent financial issues and provide financial flexibility on a transitional basis. This draw from the reserve will reduce the balance to approximately $62 million, well below the target level of 7.0 per cent of general government operating expenditures (to a cap of $85 million). Administration is reviewing strategies to replenish the FSR.

CAPITAL EXPENDITURES
(millions of dollars)



CAPITAL RESULTS

In 2008, capital expenditures continued to ramp up with spending of $1,339.0 million, an increase of 53.8 per cent over 2007. Capital financing is being managed primarily through increased transfers from other orders of government, developer financing and additional borrowing. With $321.7 million in additional debenture borrowing in 2008, total borrowing has increased but remains well below the legislated limits.

Projects to support the growing infrastructure needs of our community included:

- Expansion of the South LRT;
- Improvements to arterial roads and primary highways;
- Construction on the 23rd Avenue interchange;
- Upgrades and construction of drainage infrastructure, including flood prevention;
- Strategic land acquisitions;
- Neighbourhood renewal; and
- Construction for the Southwest transit garage and Southwest community recreation centre.

Some capital projects have not proceeded to the extent planned due to factors such as outstanding external commitments, the unavailability of internal or external resources, outstanding land and vendor negotiations and project scope changes. These projects will continue into 2009.

SUMMARY

It is forecast that the City of Edmonton will weather the global situation better than most regions, but will continue to be challenged to maintain existing services as well as to address the service and infrastructure needs associated with the growth internally and as the major centre for the region. Efforts are ongoing to determine a regional approach to address the challenges. In addition, programs and services are continually reviewed to identify internal efficiencies and opportunities.

The Summary of Municipal Operations outlines the 2008 revenues, expenditures and fund transfers for the City's tax-supported programs and services. Budget and Actual 2008 figures are consistent with those included in the City's audited consolidated financial statements. Summarized information on utility and subsidiary operations is included in the Other Financial Information table. Capital expenditure information and tax-supported debt amounts have been provided for the past five years.

SUBSEQUENT EVENTS

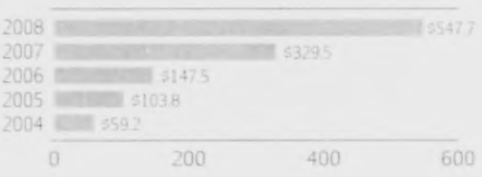
A number of reporting and operational changes will take place for the City during 2009, including the change to a full utility business model for Waste Management effective January 1, 2009. This will result in households no longer paying for garbage services with taxes, instead a separate utility user fee will be charged.

In addition, the Gold Bar Wastewater Treatment Plant will transfer to our EPCOR utility subsidiary effective March 31, 2009; and the responsibility for ground ambulance service transfers to Alberta Health Services as of April 1, 2009.

Consolidated financial statements, as audited by the independent accounting firm Deloitte & Touche LLP, form part of the 2008 City of Edmonton Annual Report. The Annual Report is available for review on the City of Edmonton web site at **www.edmonton.ca**, or at any public library location.

TAX-SUPPORTED DEBT

(millions of dollars)

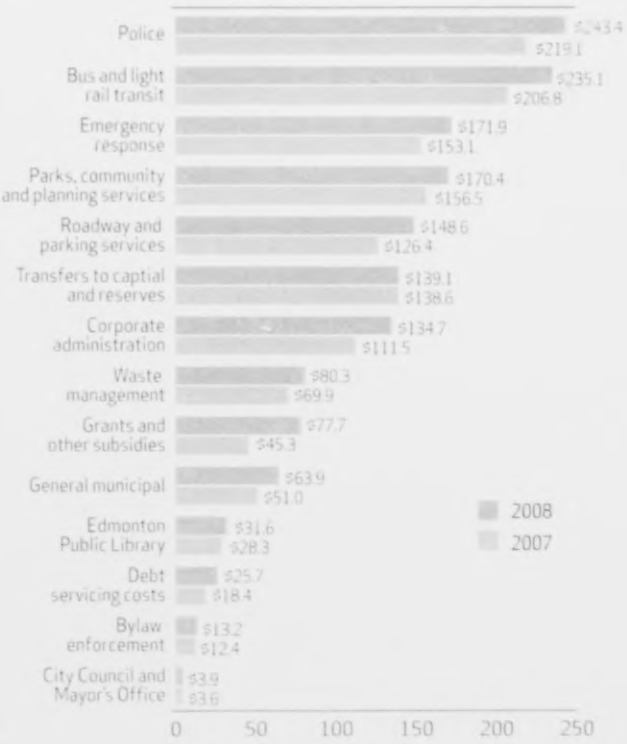


YOUR PRIORITIES

Edmontonians have said that some of their top priorities for increased funding are police services, public transit, emergency response, roads, parks and community services. We continuously strive to increase the investment in these areas.

SERVICES SUPPORTED

(millions of dollars)



SUMMARY OF MUNICIPAL OPERATIONS

For the year ended December 31, 2008

Revenues (in thousands of dollars)	Budget 2008	Actual 2008
Taxation:		
Property	$ 662,732	$ 656,666
Business	85,422	86,849
Government transfers in lieu of tax	19,479	24,547
Local improvements	9,904	8,797
Other	3,000	3,540
	780,537	780,399
General municipal services and other	138,821	157,797
Bus and light rail transit	88,351	90,315
Franchise fees	82,466	84,334
Government transfers	62,041	79,816
Ed Tel Endowment Fund contribution	35,200	35,200
Fines and penalties	38,649	43,149
Licenses and permits	44,915	40,489
Parking	12,211	13,563
Investment earnings	34,473	9,710
Municipal revenues before transfers and dividends	1,317,664	1,334,772
Dividends from EPCOR Utilities Inc.	130,435	130,435
Dividends from Ed Tel Endowment Fund	8,800	8,800
Transfer from prior operating surplus	19,109	18,414
Transfer from reserve fund	27,567	26,825
Total Municipal Revenues	**$ 1,503,575**	**$ 1,519,246**

Expenditures (in thousands of dollars)	Budget 2008	Actual 2008
Police	$ 240,841	$ 243,442
Bus and light rail transit	227,892	235,133
Emergency response	170,797	171,917
Roadway and parking services	151,037	148,565
Corporate administration (Note 1)	135,071	134,734
Parks and recreation	104,476	106,317
Waste management	82,553	80,348
Grants and other subsidies (Note 2)	68,848	77,724
General municipal (Note 3)	64,707	63,894
Community and family	42,043	39,843
Edmonton Public Library	31,609	31,609
Planning services	26,462	24,109
Bylaw enforcement	13,483	13,202
City Council and Mayor's Office	4,068	3,932
Municipal expenditures before transfers and debt principal repayments	1,363,887	1,374,769
Debt servicing costs	24,916	25,707
Transfer to reserve fund	14,465	33,032
Transfer to capital fund (Note 4)	100,307	106,039
Total Municipal Expenditures	**1,503,575**	**1,539,547**
Excess of revenues over expenditures	**$ -**	**$ (20,301)**

Notes to Summary of Municipal Operations:

1. Corporate administration consists of personnel and administrative costs for Assessment and Taxation, Corporate Services, Finance and Treasury, Offices of the City Manager, Deputy City Manager and City Auditor.
2. Grants and other subsidies include grants provided and subsidies paid to miscellaneous Boards, Authorities and organizations.
3. General municipal expenditures consist of accommodation expenditures, personnel and administrative costs for Capital Construction, risk management expenditures, general financial costs and tax appeals and allowances.
4. Transfer to capital fund represents pay-as-you-go funding from municipal revenues for capital projects.

OTHER FINANCIAL INFORMATION

For the year ended December 31, 2008

(in thousands of dollars)	Revenues	Expenditures	Net income (Loss)	Contribution to municipal operations
EPCOR Utilities Inc.	$ 3,476,191	$ 3,301,176	$ 175,015	$ 171,908
Ed Tel Endowment Fund (unaudited)	(28,389)	1,311	(29,700)	44,000
Sanitary Drainage Services (unaudited)	112,965	86,805	26,160	18,518
Land Drainage Services (unaudited)	22,918	12,592	10,326	
Edmonton Economic Development Corporation	43,529	43,084	445	
Edmonton Public Library	43,053	40,586	2,467	

The financial results provided above are consistent with those reported in the annual financial statements for the respective organizations or operations. The contribution to municipal operations reflects the amount, excluding taxation, included in the Summary of Municipal Operations. Edmonton Economic Development Corporation revenues include $12,485 of tax levy funding. Edmonton Public Library revenues include $31,609 of tax levy funding.

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THE CITY OF Edmonton

TRANSFORMING **EDMONTON**
BRINGING OUR CITY VISION TO LIFE

FSC Mixed Sources